



# County of San Mateo

## Inter-Departmental Correspondence

---

**Department:** BOARD OF SUPERVISORS  
DISTRICT 1  
**File #:** 18-1109

Board Meeting Date: 12/11/2018

---

**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** President Dave Pine, District 1  
David Canepa, Supervisor, District 5  
**Subject:** Criteria for Award of District-Discretionary **Measure K** Funds

### **RECOMMENDATION:**

**Measure K:** Approve district-discretionary criteria and direct staff to administer funds in accordance therewith.

### **BACKGROUND:**

**Measure K** is the half-cent general sales tax initially approved by San Mateo County voters in November 2012 and extended in November 2016 for a total of thirty years.

In preparation for the upcoming FY 2019-21 budget cycle, the Board of Supervisors (“Board”) appointed an ad-hoc subcommittee consisting of President Pine and Supervisor Canepa to, among other things, work with staff to facilitate the Board’s development of **Measure K** priorities and continuing initiatives for FY 2019-21. Study sessions for the full Board will be scheduled in early 2019 with respect to the Board’s determination of ongoing **Measure K** priorities and initiatives. It is anticipated that those priorities will be finalized in the Spring 2019 in advance of the development of the FY 2019-21 recommended budget.

In connection with the above-referenced efforts, the subcommittee reviewed the Board’s current processes regarding the award of district-discretionary **Measure K** funds (also referenced as the “district-specific” funds). This memo provides information regarding the attached recommended criteria for **Measure K** district-discretionary grants and contracts. The recommended criteria are brought to the full Board at this time so that they can go into effect for the second half of the current fiscal year.

### **DISCUSSION:**

The Board initially approved criteria for award of district-discretionary **Measure K** funds in April 2015 for the FY 2015-17 budget cycle. On May 16, 2017, following study sessions and community outreach efforts to inform priorities for FY 2017-19 **Measure K** spending, the Board approved the FY 2017-19 **Measure K** allocation plan which was based on the County’s anticipation of

approximately \$81.6 million annually in **Measure K** receipts. The plan included \$7.5 million in one-time loans or grants during FY 2017-19, divided equally among the five supervisorial districts, for district-discretionary needs and projects. No changes were made to the district-discretionary criteria at that time.

Throughout November 2018, the subcommittee has met with the County staff who are involved in the preparation of the **Measure K** district-discretionary agreements and Board materials as well as the County's related contract administration and compliance efforts resulting from district-discretionary agreements and grants. As a result of those meetings, a number of opportunities for improvement and efficiency have been identified with respect to the administration of district-discretionary **Measure K** funds.

The revised criteria modify the existing process for the administration and expenditure of district-discretionary funds including clarifying various issues that were the subject of frequent questions from Board staff as well as adopting best practices from other jurisdictions that administer similar funds. The revised criteria set forth the process that will be used to allocate the district-discretionary **Measure K** funds. Although most of the criteria remain the same, including the requirement that all awards be brought to the Board for approval on the Regular Agenda, a few substantive modifications are highlighted below:

- Recipients of district-discretionary funds must be non-profit organizations in good standing, or public agencies operating within the County;
- Given the cost of administering and monitoring grants, awards should generally be for amounts in excess of \$10,000;
- Organizations are limited in the number of awards they can receive from the same supervisorial district within a given two-year budget cycle.
- Organizations must identify prior district-discretionary grants that they've received and such prior grants will be set forth in the Board memo.
- The amount of district-discretionary funds that a supervisorial district can "roll over" to a future two-year budget cycle is limited to 10% of the funds originally budgeted in the current cycle. Any excess unspent funds will revert to the County's general fund.
- District-discretionary **Measure K** grants and/or contract requests shall not be brought to the Board for approval within 90 days of a primary, general, or special election in which the supervisor requesting the grant and/or contract approval is a candidate for election.

**FISCAL IMPACT:**

There is no net county cost resulting from the proposed changes to the district-discretionary **Measure K** award criteria.